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Producers 88 (4-89) - Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND CAS I FASE

	(No	Surface U	(se)		
THIS LEASE AGREEMENT is made this	OHL day	of January		, 2009, by and between	
Jame Aragon and wife, A	Noria Elena	Aragon)			
	geon Street	f, Fort North			as Lessor
and, DALE PROPERTY SERVICES, L.L.C., 2100 hereinabove named as Lessee, but all other provision	ons (including the com	pletion of blank spaces) we	ere prepared jointly by Lesso	r and Lessee.	
 In consideration of a cash bonus in han described land, hereinafter called leased premises: 	d paid and the coven	ants herein contained, Le	ssor hereby grants, leases	and lets exclusively to Le	ssee the following
ACRES OF LAND, MORE C	R LESS, BEING	LOT(S)		, BLOCK	21
OUT OF THE Southland Terra	$H \hat{V}_{Z}$		ADDITION S, ACCORDING TO T	N, AN ADDITION TO	THE CITY OF
IN VOLUME 368-V, PA	GE	OF THE PI	AT RECORDS OF TA	ARRANT COUNTY, T	EXAS.
in the County of <u>Tarrant</u> , State of TEXAS, contain reversion, prescription or otherwise), for the purposubstances produced in association therewith (in commercial gases, as well as hydrocarbon gases, land now or hereafter owned by Lessor which are Lessor agrees to execute at Lessee's request any a of determining the amount of any shut-in royalties h	se of exploring for, di cluding geophysical/si In addition to the abo contiguous or adjacen idditional or supplemer	eveloping, producing and eismic operations). The ove-described leased pren to the above-described leased ntal instruments for a more	marketing oil and gas, along term "gas" as used herein ises, this lease also covers eased premises, and, in con- complete or accurate descri	g with all hydrocarbon and includes helium, carbon accretions and any small s sideration of the aforement ption of the land so covered	I non hydrocarbor dioxide and othe strips or parcels o ioned cash bonus I. For the purpose
2. This lease, which is a "paid-up" lease requas long thereafter as oil or gas or other substances otherwise maintained in effect pursuant to the provision. 3. Royalties on oil, gas and other substance separated at Lessee's separator facilities, the royal Lessor at the wellhead or to Lessor's credit at the content of the wellhead market price then prevailing in the saprevailing price) for, production of similar grade severance, or other excise taxes and the costs incompared the continuing right to purchase such production then prevailing in the same field, then in the neare nearest preceding date as the date on which Lesset the leased premises or lands pooled therewith are only draulic fracture stimulation, but such well or wells be producing in paying quantities for the purpose of being sold by Lessee, then Lessee shall pay shutile depository designated below, on or before the end are shut-in or production there from is not being sold by Lessee from another well or wells on the leased preof such operations or production. Lessee's failure to 4. All shut-in royalty payments under this lease be Lessor's depository agent for receiving payment draft and such payments or tenders to Lessor or to address known to Lessee shall constitute proper payment hereunder, Lessor shall, at Lessee's requestion of lands pooled therewith, or if all productions and premises or lands pooled therewith with the end of the primary term, or at any time therea on the leased premises or lands pooled therewith with end of the primary term, or at any time therea on cessation of more than 90 consecutive days, at there is production in paying quantities from the leased of (a) develop the leased premises as to formation leased premises from uncompensated drainage by additional wells except as expressiy provided hereir	covered hereby are prisons hereof. s produced and saved alty shall be	roduced in paying quantities hereunder, shall be paid to the paying a control of the paying control of the paying provided to a no such price then prevate as (including casing heat lized by Lessee from the severing, processing or other such a prevailing price) hases hereunder, and (c) if coing oil or gas or other such a prevailing price) hases hereunder, and (c) if coing oil or gas or other such a prevailing price) hases hereunder, and (c) if coing oil or gas or other such a prevailing price) hases hereunder, and (c) if the aperiod of 90 consper acre then covered by and thereafter on or before ed that if this lease is oth the therewith, no shut-in royar oyalty shall render Lessed dered to Lessor or to Lesses in the ownership of said posit in the US Mails in a sery should liquidate or be soproper recordable instrumined with which is incapable of in paying quantities) permental authority, then in hig an existing well or for or impletion of operations on sotherwise being maintained, this lease shall remain in ons result in the production is pooled therewith as a reasor ducing in paying quantitie.	s from the leased premises of the properties of such production of similar quality pursuant to comparable pursuant to leach deceptive days such well or withis lease, such payment to leach anniversary of the enderwise being maintained by the shall be due until the end liable for the amount due, bron's credit in at lessor's at land. All payments or tendentamped envelope addressed succeeded by another institution or and the event this lease is not infilling an additional well or fouch dry hole or within 90 day din force but Lessee is the force so long as any one or of oil or gas or other substitution of a well capable ably prudent operator would so not he leased premises or	ws: (a) For oil and other li- luction, to be delivered at a continuing right to purchase in the nearest field in which ances covered hereby, the nate part of ad valorem tax- other substances, provided by in the same field (or if the right of the same field or or such well or wells shall neverthe ells are shut-in or production of the same or if production of the 90-day period whill operations, or if production of the 90-day period next fut shall not operate to termind of the same or its success may be made in currency. If to the depository or to the tion, or for any reason fail comes as depository agent to rest (hereinafter called "dry he ause, including a revision of therwise being maintained or otherwise being maintained or otherwise obtaining or responder in the same or similar and or similar or or otherwise obtaining or responder or such operations a tances covered hereby, as of producing in paying qualiful under the same or similands pooled therewith, or	quid hydrocarbons. Lessee's option to such production a ch there is such a ch there is no such prior to on the same of the characteristic on the same of the characteristic on the same of the characteristic of the
6. Lessee shall have the right but not the ob- depths or zones, and as to any or all substances proper to do so in order to prudently develop or ope unit formed by such pooling for an oil well which is horizontal completion shall not exceed 640 acres pl completion to conform to any well spacing or densit of the foregoing, the terms "oil well" and "gas well" prescribed, "oil well" means a well with an initial gas feet or more per barrel, based on 24-hour produ- equipment; and the term "horizontal completion" re- equipment; and the term "horizontal completion" m component thereof. In exercising its pooling rights Production, drilling or reworking operations anywh reworking operations on the leased premises, exce-	ligation to pool all or a covered by this lease, trate the leased premis not a horizontal compus a maximum acreagy pattern that may be shall have the meaning-oil ratio of less than a ction test conducted to means an oil well in which the reunder, Lessee sere on a unit which ir	either before or after the ses, whether or not similar letion shall not exceed 80 to e tolerance of 10%; provid prescribed or permitted by application, 200,000 cubic feet per barrunder normal producing owhich the horizontal comporhall file of record a writter acludes all or any part of	commencement of producti- pooling authority exists with acres plus a maximum acrea ed that a larger unit may be any governmental authority le law or the appropriate go el and "gas well" means a w- onditions using standard le onent of the gross complete ent of the gross completion declaration describing the the leased premises shall be	on, whenever Lessee deer respect to such other lands age tolerance of 10%, and formed for an oil well or gas having jurisdiction to do so wernmental authority, or, if ell with an initial gas-oil rationase separator facilities or interval in facilities or interval in the reservoir exumit and stating the effective treated as if it were pro	ms it necessary of sor interests. The for a gas well or as well or as well or as well or the purpose no definition is so of 100,000 cubic equivalent testing equivalent testing acceeds the vertical detection, drilling of the sor interests of the colonial direction, drilling of sor interests of the colonial direction.

leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder. Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the denository designated above. If at any time two or more until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transfersee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

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If Lessee releases all or an undivided interest in less than all of the area covered hereby. Lessee's obligation to pay or tender shut-in royalities shall be proportionately reduced in accordance with the net accessage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any (as, water and/or other substances produced on the leased premises score, treat and/or transport production. Lessee the section of the entire leased premises described in Paragraph 1 above, notwithstanding any tail release or other partial termination of his lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lesser in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or writin a reasonable time therefore.

11. Lessee's obligations including restrictions on the diffling and production of we

MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations.

17. This lease may 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which I assess has or may negotiate with any other lessors/oil and day owners. which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)	
Maria Elena Aragen	By: Jaine Avagen
STATE OF TEXAS	·
COUNTY OF <u>latrant</u> This instrument was acknowledged before me on the day of by: Illin acknowledged before me on the day of	January , 2009,
MARIA MUNOZ PADIŁLA Notary Public, State of Texas My Commission Expires October 05, 2011	Notary Public, State of Try By Notary's name (printed): Wildy in Hurior Padilla Notary's commission expires: 1915/2011
STATE OF Texas COUNTY OF Tartaut This instrument was acknowledged before me on the day of day of the day of	January, 2009,
MARIA MUNOZ PADILLA Notary Public, State of Texas	Notary Public, State of Tayas Padicina Notary's name (printed): Washing Padicina Notary's commission expires: 1015 10011



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

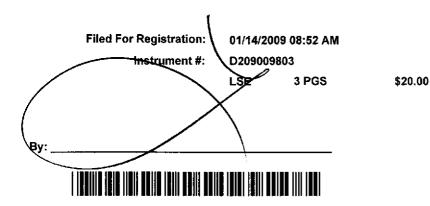
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209009803

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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